

Members

Sen. Brandt Hershman, Co-Chairperson  
Sen. James Arnold  
Rep. Mark Messmer, Co-Chairperson  
Rep. Scott Reske  
Daniel Hasler  
Art Evans  
Mayor Shawna Girgis  
Mark Becker  
Jeff Quyle  
Sonny Beck  
Tom Easterday  
Angela Faulkner  
Mickey Maurer  
Chris Lowery  
Nate Schnellenberger  
Joe Breedlove



## INTERIM STUDY COMMITTEE ON ECONOMIC DEVELOPMENT

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Authority: IC 2-5-31.8

### MEETING MINUTES<sup>1</sup>

Meeting Date: October 24, 2011  
Meeting Time: 10:00 A.M.  
Meeting Place: State House, 200 W. Washington  
St., Room 431  
Meeting City: Indianapolis, Indiana  
Meeting Number: 5

**Members Present:** Sen. Brandt Hershman, Co-Chairperson; Sen. James Arnold;  
Rep. Mark Messmer, Co-Chairperson; Eric Shields; Mark  
Becker; Jeff Quyle; Chris Lowery.

**Members Absent:** Rep. Scott Reske; Art Evans; Mayor Shawna Girgis; Sonny  
Beck; Tom Easterday; Angela Faulkner; Mickey Maurer; Nate  
Schnellenberger; Joe Breedlove.

**Senator Brandt Hershman** called the meeting to order at 10:32 a.m.

**Eric Shields**, Policy Director, Indiana Economic Development Corporation, was seated on the Committee as the designee of **Secretary of Commerce Daniel Hasler**.

Senator Hershman said that he had delayed the beginning of the meeting in the hopes of obtaining a quorum. Senator Hershman announced that a quorum of members was not present and that without a quorum present the Committee could not officially adopt its

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<sup>1</sup> These minutes, exhibits, and other materials referenced in the minutes can be viewed electronically at <http://www.in.gov/legislative>. Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies.

proposed final report or take any other official action. However, the rules of the Legislative Council do not prohibit those members of the Committee who are present in the absence of a quorum from discussing the proposed final report and publishing it for informational purposes. The Committee proceeded to discuss the proposed final report as an informational report.

**Representative Mark Messmer** read the proposed findings and recommendations of the Committee's proposed informational report aloud. See Exhibit 1 for the Committee's proposed informational report.

Senator Hershman called for public comments. There were no public comments. Senator Hershman called for Committee discussion. **Jeff Quyle** asked about the distinction between findings and recommendations. Senator Hershman explained.

**Mark Becker** moved that recommendation 5 of the proposed informational report include a reference to the recently published Conexus-sponsored study of the defense industry in Indiana. See Indiana Business Research Center, Building National Security: The Economic Impact of Indiana's Defense Industry, available at <http://www.ibrc.indiana.edu/analysis/reports.asp>. The motion was moved and seconded. Senator Hershman asked if the motion could be taken by consent. Consent was granted by the members present.

A motion was made for a vote on the proposed informational report, as amended, and seconded. The roll was called. There were seven affirmative votes to endorse the proposed informational report, as amended, and none opposed.

Senator Hershman, Representative Messmer, and Senator Arnold made concluding remarks.

Senator Hershman adjourned the meeting at 10:45 a.m.

[NOTE: The Committee operates under the policies governing study committees adopted by the Legislative Council. See IC 2-5-31.8-5. One of those policies provides that a study committee may not recommend a final report unless a majority of members appointed to serve on the committee approves the report. Sixteen members were appointed to serve on the Committee but only seven were present at this meeting. Consequently, the vote taken at this meeting to endorse the informational report, as amended, may not be construed as an official recommendation of the Committee.]

ICED  
OCT 24, 2011  
EX 1

# **Interim Study Committee on Economic Development**

## **Membership Roster**

### **Representatives**

### **Senators**

### **Legislative Services Agency Staff**

**November 1, 2011**

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.in.gov/legislative/>.

## FINAL REPORT

### **Interim Study Committee on Economic Development**

#### **I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES**

The Indiana General Assembly enacted legislation codified at IC 2-5-31.8 directing the Committee to study the following:

- (1) Best practices in state and local economic development policies and activities.
- (2) The use and effectiveness of tax credits and deductions.
- (3) Whether there are any specific sectors of the economy for which Indiana might have comparative advantages over other states.
- (4) The extent to which Indiana's tax laws encourage business investment, and any improvements that might be made to Indiana's tax laws.
- (5) The extent to which Indiana's education systems support economic development.
- (6) The benefits of existing community revitalization enhancement districts and possible new community revitalization enhancement districts as an economic development tool.
- (7) Any other issue assigned to the committee by the Legislative Council or as directed by the Committee's co-chairs.

The Legislative Council assigned the following additional responsibilities to the Committee:

- (1) The effect IC 5-22-15-20.9 and IC 36-1-12-22, providing for price preferences for local Indiana businesses, will have on non-local businesses (Legislative Council (Sens. Paul and Yoder)).
- (2) Unfair practice laws and the use of stolen information technology by businesses that offer products for sale in the state of Indiana (see SR 57-Sen. Merritt).

#### **II. INTRODUCTION AND REASONS FOR STUDY**

The General Assembly is interested in examining the scope, focus, and efficacy of Indiana's economic development assistance and incentive programs and evaluating the extent to which Indiana's laws, policies, and educational systems influence economic development. In particular, the General Assembly wants to review and evaluate the effectiveness of existing state and local government programs, consider new proposals, and determine whether the state's economic development programs operate within the parameters of best practices established around the United States.

### **III. SUMMARY OF WORK PROGRAM**

The Committee met five times. These meetings were held in Indianapolis, Indiana, on August 26, 2011, Crane, Indiana, on September 26, 2011, Lafayette, Indiana, on October 11, 2011, and Indianapolis, Indiana on October 17, 2011, and OCTOBER 24, 2011.

These topics were covered at the first meeting:

- (1) Statutory charges to the Committee were reviewed.
- (2) Additional charges to the Committee by the Legislative Council were reviewed.
- (3) The Committee Findings and Recommendations for 2010 and Legislation for 2011 were both reviewed.
- (4) Price preferences for local Indiana businesses in purchasing (IC 5-22-15-20.9) and public works projects (IC 36-1-12-22).
- (5) The extent to which Indiana's education systems influence economic development.
- (4) In addition to any handouts by those testifying before the Committee, the following documents were distributed to the Members:
  - A copy of IC 5-22-15-20.9 and IC 36-1-12-22;
  - Senate Resolution 57-2011;
  - Indiana Economic Development Corporation (IEDC) report on collaboration with local economic development organizations;
  - IEDC economic incentives and compliance report;
  - Interim Study Committee on Economic Development's 2010 committee findings and recommendations and 2011 legislation; and
  - Indianapolis Star article on TEN (The Entrepreneurial Network)

These topics were covered at the second meeting:

- (1) Best practices in state and local economic development policies and activities.
  - Regional Development and Intrastate Collaboration
  - State and Local Collaboration
  - Quality of Life, Community, and Non-fiscal Issues
- (2) The defense sector of the Indiana economy.

These topics were covered at the third meeting:

- (1) Best practices in state and local economic development policies and activities.
  - State and Local (and intrastate regional) Collaboration
  - 21st Century Research and Technology Fund Report
- (2) The auto, advanced manufacturing, and logistics sectors of the Indiana

economy.

(3) The extent to which Indiana's education systems support economic development.

These topics were covered at the fourth meeting:

(1) Use and effectiveness of tax credits and deductions and the extent to which Indiana's tax laws encourage business investment, and any improvements that might be made to Indiana's tax laws.

(2) Entrepreneurship.

(3) Regional Interstate Collaboration.

(4) The benefits of existing community revitalization enhancement districts and possible new community revitalization enhancement districts as an economic development tool.

(5) Unfair practice laws and the use of stolen information technology by businesses that offer products for sale in the state of Indiana (see SR 57-Sen. Merritt).

At the fifth meeting the Committee discussed and voted on the Final Report.

#### **IV. SUMMARY OF TESTIMONY**

##### **Meeting 1:**

Representative Scott Reske discussed regional collaboration activities and the seminar held by the Council of State Governments in Indianapolis.

Testimony and Committee questions and discussion took place regarding the effect of IC 5-22-15-20.9 and IC 36-1-12-22, which provide price preferences for local Indiana businesses in purchasing (IC 5-22-15-20.9) and public works projects (IC 36-1-12-22). Both sections were enacted in the 2011 legislative session as part of House Enrolled Act (HEA) 1004 (P.L. 172-2011). There was also testimony and discussion concerning the extent to which Indiana's education systems influence economic development.

##### **Local Price Preferences**

Charlie Kahl, President of the Indiana Construction Association, argued that IC 36-1-12-22, specifying county-based geographic price preferences for local public works projects, is detrimental to the system of open competition in local public works projects that worked well before the adoption of HEA 1004-2011. He argued that the rule of IC 36-1-12-22(d) artificially restricts the geographic territory in which contractors can operate, because a contractor based elsewhere in the state will not be able to compete against a contractor located in or adjacent to the county in which the political subdivision awarding the contract is located. Mr. Kahl called for the General Assembly

to repeal this statute.

Phil Lehmkuhler, State Director of the United States Department of Agriculture (USDA) Rural Development Program, reviewed the funding activities of the USDA Rural Development Program. He said that according to the USDA Office of General Counsel, both IC 5-22-15-20.9 (procurement) and IC 36-1-12-22 (public works) are in conflict with those federal open bidding process requirements. This conflict would cause USDA Rural Development Program to withdraw funding participation where those statutes apply. Mr. Lehmkuhler consequently requested an amendment to those statutes that would create an exception for federal projects.

Brian Inniger, Chief Financial Officer of Rieth Riley, Goshen, Indiana, said Rieth Riley was established in 1916 and received the very first contract awarded by the Indiana Department of Transportation and now does work throughout Indiana. Mr. Inniger believes, however, that the only place Rieth Riley is local under the statute is Elkhart County.

Rhonda Cook, Director of Government Affairs and Legislative Counsel, Indiana Association of Cities and Towns (IACT), and Mike Howard, Attorney for the City of Noblesville and for Hamilton County said that IACT is concerned with the public works aspect of the HEA 1004 (IC 36-1-12-22) and provided a couple of examples of language that may not be clear. Mr. Howard urged the repeal of IC 36-1-12-22. Based on his experience, he believes that Indiana had a bidding system that worked before IC 36-1-12-22 was adopted. He listed several points of criticism.

### **The Influence of Indiana's Education Systems on Economic Development**

Mitch Roob, Secretary of Commerce and Chief Executive Officer of the Indiana Economic Development Corporation, introduced the topic of education and economic development. In his presentation, Secretary Roob stressed his perceptions of what executives considering an expansion in or move to Indiana are looking for in the Indiana workforce. His first major point was that business people highly value mathematics ability in their employees and his second major point concerned the need to find a way to teach leadership skills.

Tom Lewandowski, President, Northeast Indiana Central Labor Council (NEICLC), described the NEICLC's Unemployed and Anxiously Employed Worker's Initiative (Initiative). Mr. Lewandowski described the Initiative as an attempt to determine what works and what doesn't work in economic development by reviewing tax abatements and other incentives given to enterprises in Northeast Indiana. Mr. Lewandowski raised several concerns.

Jason Dudich, Associate Commissioner and Chief Financial Officer, Commission for Higher Education (CHE), spoke about several areas in which Indiana's postsecondary institutions support economic development in Indiana. A key theme in Mr. Dudich's

testimony is the desirability of an effective division of labor in higher education in Indiana. He said that the CHE believes that certificates, technical certificates, associate degrees and workforce training should be the focus of Indiana's two-year colleges. Comprehensive four-year institutions and research institutions on the other hand should focus on research, bachelor's degrees, and professional degrees. At the same time, the CHE believes that the ability to transfer credits and degrees between different institutions is vital.

Representative Messmer posed questions to CHE concerning CHE review of degree programs, residency requirements, capacity in certain major subject areas, differing levels of rigor between institutions, duplicated programs, shifting focus at research institutions to produce more master's and doctoral degrees, increasing degrees in science, technology, engineering, and mathematics (STEM), entrepreneurship programs in rural areas and small communities, and entrepreneurship programs at the K-12, postsecondary, and workforce training levels.

Amy Horton, Assistant Superintendent for Student Achievement and Growth, Indiana Department of Education (DOE), reviewed how the DOE is contributing educational support for economic development. She noted that DOE has recently reorganized itself and will be creating a new division called Student Achievement and Growth. Ms. Horton said the DOE supported and applauded the General Assembly for passing the most comprehensive education reform package in the nation during the 2011 legislative session and summarized the legislative changes. Ms. Horton reviewed several specific projects the DOE has been engaged in that support economic development.

Dan Clark, Executive Director, Indiana Education Roundtable, described the immediate mission of the Education Roundtable: to advance education policies that result in a world-class workforce. He reviewed various statistics about the population of Indiana students, their academic achievement, and how they compare with students in other states and the world. Mr. Clark believes that in order to have a world-class workforce at least 80% of Indiana high school students must graduate with a college-and-career-ready diploma without any need for postsecondary remediation. Mr. Clark also discussed the adoption of the Common Core State Standards.

Michael Harris, Chancellor of Indiana University Kokomo, advocated that policy makers adopt a model of economic development based on close collaboration between business, governments, and universities and explained that regional universities have an important role. Chancellor Harris stated that entrepreneurship is a mindset that should be infused into the full spectrum of educational endeavors.

Mark Everson, Commissioner of the Indiana Department of Workforce Development (DWD), reviewed financial and claims data of the unemployment insurance system, including the initial impact of the unemployment insurance reform statute HEA 1450-2011 (P.L. 2-2011). Commissioner Everson explained that HEA 1340-2011 (P.L. 7-2011) transferred responsibility for administering adult basic education in Indiana



from the Department of Education to DWD and that adult basic education is now closely linked with DWD's WorkOne system. Commissioner Everson concluded by noting that there is an expectation of continued funding reductions for workforce training, reflecting reduced federal funding, the lapse of federal stimulus funding, and an improved unemployment rate.

## **Meeting 2:**

### **Best Practices in State and Local Economic Development Policies and Activities**

Thayr Richey, President, Strategic Development Group, Inc., said there was a transition under way in the Midwestern states from a semi-skilled manufacturing economy to a new economy driven by knowledge-based jobs and the question is what will replace the manufacturing sector as the primary provider of middle-class jobs. Mr. Richey indicated that economic development strategies used by the states surrounding Indiana have not been particularly effective in finding something that can replace semi-skilled manufacturing jobs. Mr. Richey listed a number of current trends in economic development strategies and highlighted economic development challenges for Indiana.

Lewis Ricci, Executive Director, Indiana Arts Commission (IAC), spoke on quality of life, community, and non-fiscal issues affecting economic development. He discussed the impact of the IAC's grant making activity in Indiana and the significant economic impact of the arts generally on the state and national economies. He added that arts education has come under a lot of unintended attack because of the No Child Left Behind Act of 2001, P.L. 107-110, 115 Stat. 1425, that creative education is one of the basic tools used to nurture creative people, and that 85% of employers say they want creative people. He noted, however, that there has been consistent downward pressure on the arts in education. He stressed that the IAC's support of the arts is on the individual level, the community level (such as arts and cultural districts), and the organizational level.

### **Indiana's Comparative Advantages over Other States in the Defense Sector**

Shane Blair, Vice President, Radius | Indiana, addressed the topic of whether Indiana has any competitive advantage in the defense sector. He said that Radius | Indiana is a nonprofit corporation serving as the regional economic development organization for an eight county region in south-central Indiana. Mr. Blair described a study of the defense industry in Indiana and a proprietary database of Indiana vendors available for use at no charge for the purpose of matching opportunities with core competencies. He also spoke about technology transfer at the NSWC Crane and stated that NSWC Crane is pushing technology out to private industry and has an interest in obtaining technology developed elsewhere for use in furthering its mission of supporting the warfighter. Mr. Blair expressed his confidence that Indiana does have an advantage to sell in terms of lower costs, but also noted are some concerns, such as amenities, education alternatives, adequate infrastructure, and human capital. He noted that in the defense

sector, relationships between active military personnel and retired generals and other retired military personnel are important. He added that in this sector, incentives don't drive deals.

### **Meeting 3:**

#### **Best Practices in State and Local Economic Development Policies and Activities**

Daniel Hasler, Indiana Secretary of Commerce, made a presentation to the Committee on the Indiana Economic Development Corporation's (IEDC) efforts in economic gardening. He noted that Indiana was in the top three states in growth in gross domestic product in 2010 at a 4.6% growth rate, is a top ten pro-business state, is one top two best states for job growth, won its first gold shovel award for economic development, is one the nation's lowest tax and regulation states, and is very attractive for starting a new life sciences business. He noted that different size companies need different environments and that IEDC matches needs to the enterprise. He reviewed the last two years of activity for the Twenty-First Century Research and Technology Fund and indicated that the Fund has focused on early stage companies because Indiana has not had a culture of high risk/high return investment. He added that since 1999, there have been 197 awards in 24 counties. He reviewed both the failures and successes of businesses helped by the Fund. He indicated that the goal is for the Fund to establish a self-sustaining private high risk venture capital community. He described the Elevate Ventures program, which is a tax exempt, non profit statewide venture that immediately allowed Indiana to receive \$34.3 million in federal funds. He emphasized the importance of the IEDC's due diligence in reviewing applicants. He also mentioned that the IEDC supports the federally funded Indiana Small Business Development Center and presented various data on the Center's activities since 2007. He described the IEDC's work with regional economic development organizations and local economic development organization. He presented data on total competitive projects, private sector job projections, the average Hoosier wage, private sector investment projections. He described what matters to companies when making a move. He added that one of the most often heard positives about Indiana is that there is collaboration amongst state and local groups to solve problems. He recommended that Indiana make improvements in workforce development, in having shovel ready sites available, and providing employer relocation assistance. He said that stimulating venture capital, supporting small business, and retaining and attracting businesses are required for Indiana to have a healthy economy.

William Dory, President, Indiana Economic Development Association, spoke about the Association and indicated it was founded in 1968 and has 400 members. He said that communities look beyond the numbers. He stated that restricting local government in using tax increment financing would be a problem.

## **Indiana's Comparative Advantages over Other States in the Auto, Advanced Manufacturing, and Logistics Sectors**

Matthew Conrad, Project Director, Indiana Automotive Council, stated that the Indiana Automotive Council ("IAC") exists to enhance, grow and promote the automotive industry in Indiana, focusing on competitiveness in the global automotive marketplace and stimulating long-term job creation and capital investment. He said the IAC's vision is to make Indiana the automotive state of tomorrow. He reviewed various data on the automotive industry as part of the Indiana economy, including total industry employment, the industry's contribution to Indiana's gross domestic product, car and light truck production, and assembly facilities. He reviewed an analysis of the strengths and weaknesses of, opportunities for, and threats to the industry. He discussed key strategic initiatives, including developing the best workforce, having the strongest supply chain, promoting the Indiana "brand", and being the most innovative. He suggested promoting science, technology, engineering, math, and advanced manufacturing programs in K-12, implementing advanced manufacturing/logistics curriculum, improving training for automotive workers, and strengthening relationships between industry and higher education. He added that Indiana needs to attract more high-value-add suppliers, attract more headquarters and research/design/development facilities, brand Indiana as an automotive leader, and develop unique niches where Indiana can be a global leader. He recommended that the General Assembly extend the Hoosier Alternative Fuel Vehicle Manufacturer Tax Credit to December 31, 2016, or make it permanent, and enact a tax credit designed to entice companies to relocate automotive research, design and development facilities in Indiana.

David Holt, Vice President of Operations and Business Development, ConexusIndiana, told the Committee that ConexusIndiana has started a Logistics Council that is working to enhance the environment for companies in advanced manufacturing and logistics, create a more attractive environment for manufacturing and logistics companies to relocate or expand in Indiana, and create high paying jobs for Hoosiers. He indicated that policies should be implemented that enhance intermodal facilities in Indiana to bypass the Chicago bottleneck, increase in air cargo flights to and from Indiana airports, assist in construction and redesign of important Locks, help complete key infrastructure projects in bottleneck regions, provide a logistics tax credit to attract and retain logistics companies, and improve industry-driven logistics high school and postsecondary curriculum. He indicated Indiana needs to support federal funding of locks, hasten the transportation and logistics income tax credit, place private sector identified non-Indiana Department of Transportation projects on the Department's long-term priority list, and promote aircraft maintenance licensing curricula at high schools and in post secondary institutions.

## **Educational Support for Economic Development**

Jeff Terp, Vice President for Engagement, Ivy Tech Community College, discussed workforce development. He described the various ways that Ivy Tech works with

businesses in different industries to tailor programs specific to their needs. He indicated that IVY Tech also works with DWD to match training programs to jobs in demand.

Duane Dunlop, Associate Dean, Purdue College of Technology .....

Melissa Dark, W.C. Furnas Professor and Associate Dean for Strategic Planning and Research, Purdue College of Technology .....

Suresh Garimella, Assistant Vice President of Engagement, Purdue University .....

Tom Easterday, Executive Vice President, Secretary and General Counsel, Subaru of Indiana Automotive, Inc. ....

TO BE COMPLETED.

#### **Meeting 4:**

##### **Taxes and Economic Development**

John Krauss, Director, Indiana University Public Policy Institute; Director IU Center for Urban Policy and the Environment .....

David Lewis, Co-Chair, Policy Choices for Indiana's Future Project, State and Local Tax Policy Commission, .....

Kathy Davis Co-Chair, Policy Choices for Indiana's Future Project, State and Local Tax Policy Commission .....

Rob Greenbaum, Associate Professor, John Glenn School of Public Affairs, The Ohio State University .....

Tom Lewandowski, Northeast Indiana Central Labor Council .....

##### **Entrepreneurship**

Ron Brumbarger, President & CEO of BitWise Solutions, Inc. ....

Jason Dudich, Associate Commissioner and Chief Financial Officer, Commission for Higher Education .....

Amy Horton, Assistant Superintendent for Student Achievement and Growth, Indiana Department of Education .....

## **Regional Interstate Collaboration**

Rep. Scott Reske, Chair, Midwestern Legislative Conference, Midwestern office of The Council of State Governments .....

## **Community Revitalization Enhancement Districts**

The Committee was provided with the law governing community revitalization enhancement districts and a 2010 Fiscal Brief, prepared by the Indiana Legislative Services Agency, Office of Fiscal and Management Analysis, which provided background information and data on existing community revitalization enhancement districts.

## **Unfair Practice Laws**

Senator James W. Merritt, Jr., Chairman, Senate Utilities & Technology Committee, introduced the topic of and the use of stolen information technology by businesses that offer products for sale in the state of Indiana.

Greg McCurdy, Senior Policy Counsel for U.S. Government Affairs, Microsoft Corporation .....

Morgan Reed, Executive Director, Association for Competitive Technology .....

TO BE COMPLETED.

## **Meeting 5:**

TO BE COMPLETED.

## **V. COMMITTEE FINDINGS AND RECOMMENDATIONS**

### **The Committee made the following findings:**

- 1) That the ELEVATE and 21st Century Research and Technology Fund programs are valuable for economic development.
- 2) That Purdue University's Statewide Technology program should be funded at a level that recognizes the value of the educational opportunities it provides many non-traditional and traditional students around the state.
- 3) That continued study of tax credits and deductions should be done by the Committee and the report now being prepared by the Policy Choices for Indiana's Future Project, State and Local Tax Policy Commission, should be considered when doing this study.
- 4) That economic regions of the state need to be marketed as workforce and economic development regions by the businesses, governments, and educational institutions within the region and also by the Indiana Economic Development Committee (IEDC).
- 5) That certain 2010 Committee findings and recommendations resulted in 2011 legislation, which is enhancing economic development in Indiana:

Required the IEDC to conduct a statewide study to determine specific economic sectors that should be emphasized by the state and local economic development organizations and to include in its strategic economic development plan, identification of economic regions in Indiana and the methods by which the IEDC will increase collaboration between the IEDC and local economic development organizations and methods by which the IEDC will increase collaboration with state economic development organizations in the states contiguous to Indiana.

Required the IEDC to collaborate with local economic development organizations.

Eliminated certain tax deductions and credits to broaden the corporate income tax base.

Reduced Indiana's corporate income tax rate to 6.5% as of July 1, 2015.

Strengthened the entrepreneurship culture by establishing the young entrepreneurs program within IEDC, requiring the Commission on Higher Education (CHE) to cooperate with the State Board of Education and the Department of Workforce Development to develop entrepreneurship programs for elementary and secondary schools, higher education, and individuals in the work force, and by directing the CHE to inventory entrepreneurship programs.

Made the Interim Study Committee on Economic Development a four-year statutory committee charged with studying economic development issues through 2014.

6) That the 2010 Committee findings and recommendations were evaluated and continue to reflect the state's priorities for economic development.

**The Committee made the following recommendations:**

1) That the Commission on Higher Education (CHE) and higher education institutions need to collaborate to provide a better trained workforce focused at a regional level.

2) That the Indiana Economic Development Corporation (IEDC) and the CHE need to take steps that will encourage collaboration between higher education institutions and targeted industries to take advantage of significant opportunities for technology and innovation transfers from higher education to these targeted industries, especially the Crane Naval Warfare Center and other manufacturing, defense, and technology industries.

3) That Ivy Tech Community College and Vincennes University should adopt the National Association of Manufacturers (NAM) endorsed Manufacturing Skills Certification System proposed by the Manufacturing Institute.

4) That the local price preference provisions included in HEA 1004-2011 should be changed to eliminate its coverage of public works and to make it optional for local government whether to provide a price preference for supplies.

5) That IEDC needs to work with Conexus Indiana to study burdens to business growth and expansion, especially in the logistics and automobile industries.

## WITNESS LIST

**Charlie Kahl**, President of the Indiana Construction Association  
**Phil Lehmkuhler**, State Director of the United States Department of Agriculture Rural Development Program  
**Brian Inniger**, Chief Financial Officer of Rieth Riley  
**Rhonda Cook**, Director of Government Affairs and Legislative Counsel, Indiana Association of Cities and Towns  
**Mike Howard**, Attorney for the City of Noblesville and for Hamilton County  
**Mitch Roob**, Secretary of Commerce and Chief Executive Officer of the Indiana Economic Development Corporation  
**Tom Lewandowski**, President, Northeast Indiana Central Labor Council  
**Jason Dudich**, Associate Commissioner and Chief Financial Officer, Commission for Higher Education  
**Amy Horton**, Assistant Superintendent for Student Achievement and Growth, Indiana Department of Education  
**Dan Clark**, Executive Director, Indiana Education Roundtable  
**Michael Harris**, Chancellor of Indiana University Kokomo  
**Mark Everson**, Commissioner of the Indiana Department of Workforce Development  
**Thayr Richey**, President, Strategic Development Group, Inc.  
**Lewis Ricci**, Executive Director, Indiana Arts Commission  
**Shane Blair**, Vice President, Radius I Indiana  
**Daniel Hasler**, Indiana Secretary of Commerce  
**William Dory**, President, Indiana Economic Development Association,  
**Matthew Conrad**, Project Director, Indiana Automotive Council,  
**David Holt**, Vice President of Operations and Business Development, ConexusIndiana  
**Jeff Terp**, Vice President for Engagement, Ivy Tech Community College  
**Duane Dunlop**, Associate Dean, Purdue College of Technology  
**Melissa Dark**, W.C. Furnas Professor, Purdue College of Technology and Associate Dean for Strategic Planning and Research, Purdue College of Technology  
**Suresh Garimella**, Assistant Vice President of Engagement, Purdue University  
**Tom Easterday**, Executive Vice President, Secretary and General Counsel, Subaru of Indiana Automotive, Inc.  
**John Krauss**, Director, Indiana University Public Policy Institute; Director IU Center for Urban Policy and the Environment  
**David Lewis**, Co-Chair, Policy Choices for Indiana's Future Project, State and Local Tax Policy Commission, Co-Chairs are David Lewis, Eli Lilly and Kathy Davis  
**Kathy Davis**, Co-Chair, Policy Choices for Indiana's Future Project, State and Local Tax Policy Commission  
**Rob Greenbaum**, Associate Professor, John Glenn School of Public Affairs, The Ohio State University  
**Ron Brumbarger**, President & CEO of BitWise Solutions, Inc.  
**Rep. Scott Reske**, Chair, Midwestern Legislative Conference, Midwestern office of The Council of State Governments  
**Sen. Jim Merritt**, Chairman, Senate Utilities & Technology Committee



**Greg McCurdy**, Senior Policy Counsel for U.S. Government Affairs, Microsoft Corporation

**Morgan Reed**, Executive Director, Association for Competitive Technology

